



MONTANA LEGISLATIVE BRANCH


Legislative Fiscal Division

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Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: May 23, 2008

TO: Legislative Finance Committee

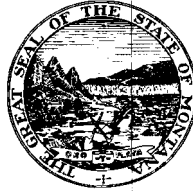
FROM: Taryn Purdy 

RE: Operating Plan Changes

Sections 17-7-138 and 17-7-139, MCA, require that cumulative operating budget changes (in any budget category) and program transfers of \$25,000 and 25 percent or \$1,000,000 must be brought before the LFC prior to implementation, unless of a time sensitive nature. The Office of Budget and Program Planning (OBPP) has submitted 7 operating plan changes and 6 program transfers for review. The attached memorandum from OBPP explains the proposed changes.

Staff was still reviewing submissions at the time of this mailing, and will update the committee as warranted.

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA



BRIAN SCHWEITZER
GOVERNOR


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MAY 23 2008

LEGISLATIVE
FISCAL ANALYST

To: Clayton Schenck, Legislative Fiscal Analyst
Legislative Fiscal Division

From:  David Ewer, Budget Director
Office of Budget & Program Planning

Date: May 22, 2008

Subject: LFC Review & Comment on Operating Budget Changes and Program Transfers

In accordance with 17-7-138 and -139, MCA, the Governor's Office of Budget and Program Planning is submitting seven operating plan changes and six program transfers that will exceed \$25,000 and 25% of a budget for review and comment at the June Legislative Finance Committee meeting.

- The **Department of Justice** requests to move \$17,500, in each year of the biennium, from the Office of Consumer Protection (Program 2) to the Legal Services Division (Program 1). The 2007 Legislature provided \$35,000 general fund as a biennial appropriation to support the Forensic Rape Examination Payment Program. This authority was provided to program 02 in the final budget allocation when it fits more appropriately under program 01, as it provides services to crime victims as opposed to consumer-level protection. The Dept of Justice would like to transfer this authority to Legal Services as these services are more appropriate under this program. [41100 170/173 PT010]
- The **Montana Historical Society** requests that \$60,000 be moved in FY 2008 from Personal Services to Operating. There has been some vacancy savings in the Publications Program and the agency would like to use that to cover some shortfalls in their Operating budget due to increased publishing activities. This transfer will bring appropriation authority in line with anticipated expenditures. [51170 350 OP015]
- The **Department of Public Health and Human Services** requests that \$74,004 be moved from Capital Outlays to Personal Services, Operating, Grants and Benefits and Claims to reflect actual anticipated expenditures. The Human and Community Services Division had some Capital Outlay expenditures in their base budget. There are no such expenditures anticipated in FY 2008. [69010 855 OP129]
- The **Department of Corrections** requests to move \$3,615,315 in FY 2008 and \$3,764,952 in FY 2009 from the Secure Custody Facilities to the Community Corrections Program. This transfer is being done to move funding for the Missoula Sanction and Assessment Center (MASC). Originally the Missoula jail was used as a regional prison which was funded as a secure care facility. It has since been changed to an assessment and sanction center for inmates under the care of the Community Corrections Program. This transfer included two FTE that monitor this program. [64010 690/695 PT513]
- The **Department of Corrections** requests to move \$1,115,000 from Secure Custody Facilities to Admin. And Financial Services (\$640,000) and Adult Community Corrections (\$475,000). Due to

vacancy savings and an increase in offenders on community supervision, the Adult Community Corrections Program is projected to be short. The shortfall in Admin. And Financial Services is due to outside medical costs being higher than anticipated. These costs are unpredictable and are generally on the rise. The surplus in Secure Custody Facilities is due to lower than anticipated bed costs in this program and this is generally due to there being more community placement beds available with things like Nexus, Elkhorn, MASC, BASC and WATCH coming on line. [64010 685/690/695 PT120]

- The **Department of Health and Human Services** requests to move \$1,443,465 from Benefits and Claims to Grants (\$1,243,465) and Operating (\$200,000) in FY 2008 and \$1,200,000 from Benefits and Claims to Grants (\$1,000,000) and Operating (\$200,000) in FY 2009. The adjustment is to align the appropriations within the correct expenditure levels. This is being done to correctly align where expenditures within the Child Care Development Fund (CCDP) which are mainly for non-direct services and required Quality grants. The decision package approved in the 2007 session allocated all authority to Benefits and Claims and the majority of expenditures have been coded to Grants. [69010 855 OP123]
- The **Department of Natural Resources and Conservation** requests that \$75,000 be moved from the Operating budget to the Grants budget in the Forestry/Trust Lands Program. These funds are restricted to the Woody Biomass Program. The Woody Biomass Utilization Program (also referred to as "Fuels for Schools") facilitates and promotes the beneficial use of woody biomass "waste" from forest treatments through low-cost, locally-sourced heating fuel. Operating costs have been lower than initially expected so the agency would like to move this excess authority to grants to provide additional funding to grantees for demonstrate biomass heating in facilities. [57060 555 OP861]
- The **Office of the Public Defender** is requesting to program transfer \$75,000 from the Public Defender Program to the Appellate Defender Program to cover greater than anticipated case loads and also to cover the cost of contract attorneys that provided services to clients while the office was staffing up to the approved FTE level. This program did not receive a transitional appropriation. [61080 665/667 PT002]
- The **Office of the Public Defender** is requesting the transfer of \$70,000 from the Public Defender Program's Operating budget to their Equipment budget in order to capitalize its developing case management software. Some components of the project may not be substantially complete by fiscal year end, so the exact amount required is yet to be determined. This is an estimate. [61080 665 OP004]
- The **Department of Revenue** requests that \$62,842 be transferred from the Operating budget to the Equipment budget to meet the department's current needs. The Information Technology & Processing Division has determined that resources would be best spent to purchase a blade server and storage area network (SAN). These items, due to cost, fall into the Equipment budget. With this implementation the department not only will provide network services using less space, less power, and less cooling, but will realize the added benefit of higher availability while putting flexible, agile infrastructure in place to support scanning, imaging and workflow initiatives. [58010 565 OP178]
- The **Department of Revenue** is requesting that \$80,716 be transferred from the Citizen Services & Resource Management Division to the Information Technology & Processing Division for the purchase of a blade server and storage area network (SAN). With this implementation the department not only will provide network services using less space, less power, and less cooling, but will realize the added benefit of higher availability while putting flexible, agile infrastructure in place to support scanning, imaging and workflow initiatives. [58010 565/570 PT177]
- The **Department of Health and Human Services** requests to move \$62,121 from the Equipment budget to the Debt Service budget. The budget was initially set up for the purchase of computer equipment but the Child and Family Services Division has determined it more cost effective to purchase via a short term lease. [69010 860 OP134]
- The **Montana Historical Society** requests that \$15,000 be program transferred into both the Education Program and the Research Center Program from other agency programs to cover projected FY 2008 needs. The agency is adjusting their proprietary spending authority between programs to reflect where actual expenditures have occurred. [51170 340/352 PT017]

We have reviewed the requests and find them to be in compliance with state and federal laws and policies. The transaction documents are available for you and your staff in our guest directory. In the event additional BCDs are requested that would require review and comment at the June meeting, we will advise you immediately.

Please let us know if you have questions or wish additional information.

CC: Taryn Purdy
Scott Sim
Skip Culver
Denise King
Rhonda Schaffer
Harry Freebourn
Ann Bauchman
Loraine Wodnik/Steve Austin